

Warm-up:

Mental Math and Estimation

How many hours are there in a work week that is made up of five 7.5-hour days? How many hours would that be in a year?

An office assistant who earns \$10.00 an hour was paid \$120.00 for 10 hours of work. How is this possible?

A contract is an agreement between two or more parties that describes the amount and type of work and the amount to be paid. There is often a schedule of payments, with payment at each stage of a job as it is completed.

2.2

Alternative Ways to Earn Money

EXPLORE THE MATH

Not every working person earns wages or a salary. What kinds of jobs do you think may be paid in each of the following ways:

- on a commission basis?
- with a base salary plus commission?
- by piecework?
- through a contract?

In piecework, people are paid according to the number of items they complete. For example, a person may deliver promotional flyers at five cents a flyer, or a berry-picker may pick organic raspberries for \$0.65 a pound. The number that can be completed in an hour will determine the hourly amount earned.

Definitions:

self-employed: a person who works for him- or herself rather than for an employer.

piecework: when someone is paid a set rate for an amount produced.

commission: an amount, usually a percentage, paid to someone for a business transaction.

contract: a legal agreement that outlines terms, conditions, and payments for work to be done.

ACTIVITY 2.3
PIECEWORK VERSUS HOURLY RATES

Work in small groups. Your flyer distribution business offers local stores a contract for delivering promotional flyers to a specified number of households. Four stores each pay you \$0.08 per flyer to deliver flyers on a weekly basis, and you hire two people to work for you.

1. What method of payment would you offer your workers?
2. How would you determine whether a piecework rate or an hourly rate will lower your costs?
3. Write an algebraic formula you could use to calculate how much the four stores will pay you.

Example 1

Manjit is a self-employed aesthetician. She offers European facials for \$85.00 each. She sells skin-care products to her customers at an average markup of 45%. Customers who buy skin toners, protective creams, masks, and related products that total more than \$95.00 receive a 20% discount on both the facial and the skin-care products.

- a) How much does Manjit earn in half a day if she gives 3 facials and sells one customer moisturizers and skin creams totaling \$125.00? Calculate her gross earnings, without taking into account her costs.

- b) How much does Manjit earn from the sale of skin creams during this half day?

- c) If all the customers had paid the full price for the same services and products, how much more would Manjit have earned?

Would you advise her to offer the 20% discount?
Why or why not?

Example 2

Gwen works as a sales clerk in a clothing store. She earns a base salary of \$10.00/h plus a 15% commission on the price before taxes of each item she sells. Her work day is 8 hours. One day, Gwen sells a suit with a price of \$625.00, a sweater priced at \$95.00, 3 T-shirts that cost \$45.00 each, and a raincoat priced at \$225.00.

How much does she earn that day?

To Do:

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